

OFFICE OF
INSURANCE COMMISSIONERBEFORE THE INSURANCE COMMISSIONER
OF THE STATE OF WASHINGTON

In the Matter of

First American Title Insurance
Company
Santa Ana, CA

an authorized insurer

No. D 98-21

STIPULATIONS, FINDINGS, CONSENT
AND ORDER

First American Title Insurance Company, is the holder of a certificate of authority as an insurer, which was duly and properly issued by the Washington State Insurance Commissioner. First American Title Insurance Company is, therefore, governed by Title 48 RCW.

This administrative action is based on allegations by the Commissioner's staff that First American Title Insurance Company violated RCW 48.29.140, RCW 48.30.140, RCW 48.30.150 and WAC 284-30-800 by the activity described in the following numbered paragraphs. To resolve only the issues identified in the following numbered paragraphs, to eliminate the necessity for a hearing, and as a negotiated settlement of the commissioner's allegations, First American Title Insurance Company without admitting or denying the Commissioner's allegations, has voluntarily executed the Consent to Order contained herein and stipulates to the entry of the Order contained herein.

STIPULATIONS

Correspondence and documents provided by First American Title Insurance Company form the basis for the following stipulations.

1. RCW 48.29.140 provides that a title insurer shall file with the Commissioner the rates to be charged by it.
2. RCW 48.30.140 prohibits an insurer from allowing, giving, setting off, or paying to the insured any rebate, discount, abatement, or reduction in premium or any part thereof except as provided in an applicable filing with the Commissioner as an inducement to insurance.



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3. RCW 48.30.150 prohibits an insurer from giving to, or on behalf of, the insured or prospective insured any prizes, goods, wares, or merchandise of an aggregate value in excess of twenty-five dollars (\$25).
4. WAC 284-30-800 prohibits a title insurer or its agent, directly or indirectly, to offer, promise, allow, give, set off, or pay anything of value exceeding twenty-five dollars (\$25), calculated in the aggregate over a twelve-month period to any person as an inducement, payment, or reward for placing or causing title insurance business to be given to the title insurer.
5. During May and June of 1997 First American Title Insurance Company's King Count office canceled a number of title orders for which First American Title Insurance Company had previously issued title insurance commitments. Although First American Title Insurance Company billed its customers for the cancellation fee for these orders, for a substantial portion of these orders, First American Title Insurance Company has not collected the cancellation fee as required by First American Title Insurance Company's duly filed rate schedule. A list of the files is attached as Exhibit A.

FINDINGS

1. The Commissioner finds that First American Title Insurance Company by and through the conduct described above, has violated RCW 48.29.140 by failing to collect the cancellation fees pursuant to its rate schedule filed with the Commissioner.
2. The Commissioner finds that First American Title Insurance Company by and through the conduct described above, has violated RCW 48.30.140 which prohibits an insurer from allowing, giving, setting off, or paying to the insured any rebate, discount, abatement, or reduction in premium or any part thereof except as provided in an applicable filing with the Commissioner as an inducement to insurance.
3. The Commissioner finds that First American Title Insurance Company by and through the conduct described above, has violated RCW 48.30.150 which prohibits an insurer from giving to, or on behalf of, the insured or prospective insured any prizes, goods, wares, or merchandise of an aggregate value in excess of twenty-five dollars (\$25).
4. The Commissioner finds that First American Title Insurance Company by and through the conduct described above, has violated WAC 284-30-800 which prohibits a title insurer or its agent, directly or indirectly, to offer, promise, allow, give, set off, or pay anything of value exceeding twenty-five dollars (\$25), calculated in the aggregate over a twelve-month period to any person as an inducement, payment, or reward for placing or causing title insurance business to be given to the title insurer.



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5. The Commissioner further finds that RCW 48.05.140 authorizes the revocation or suspension of the certificate of authority of First American Title Insurance Company, as an insurer for failing to comply with either the provisions of Title 48 RCW or the regulations promulgated thereunder.
6. The Commissioner further finds that RCW 48.05.185 authorizes, in lieu of the revocation or suspension of the certificate of authority, the assessment of a fine of not less than \$250 nor more than \$10,000 for each and every violation of Title 48 RCW or the regulations promulgated thereunder.

CONSENT TO ORDER

Based on the above and foregoing stipulations, First American Title Insurance Company hereby consents to a fine in the amount of \$10,000.

Based on the above and foregoing stipulations, First American Title Insurance Company voluntarily consents to the following order, without admitting or denying the Commissioner's allegations, with the understanding that the fine levied is in lieu of any determination of the suspension or revocation of its certificate of authority, for the conduct described herein.

Based on the above and foregoing stipulations, First American Title Insurance Company acknowledges its duty and obligation to fully comply with the applicable laws and regulations of Washington and of the United States.

Signed this 22nd day of MAY, 1998.

First American Title Insurance Company

By: John P. Wane

Title: REGIONAL Counsel

ORDER

IT IS ORDERED that pursuant to RCW 48.05.140 and RCW 48.05.185, and the foregoing Stipulations, Findings and Consent to Order, First American Title Insurance Company pay a fine in the amount of \$10,000, for the activity described in the foregoing Stipulations.

Upon failure to pay this fine in full within 30 days from the date of this order, the Insurance Commissioner shall revoke the certificate of authority of First American Title Insurance Company, and the fine will be recoverable in a civil action brought on behalf of the Insurance Commissioner by the Attorney General pursuant to RCW 48.05.185.

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SIGNED AND ENTERED THIS 27 day of May 1998.

DEBORAH SENN
Insurance Commissioner

By: 

JAMES T. ODIORNE
Deputy Insurance Commissioner

EXHIBIT A

List of Files with No Cancellation Fee Collected

318413	329186	333449	337652
320568	329218	333450	337888
321633	329284	333785	338111
321675	329549	333817	338121
321676	329630	333822	338124
321677	329916	334059	338135
321678	329923	334198	338136
321679	329930	334518	338514
321680	329933	334541	338580
322220	329969	334622	338582
322234	329993	334671	338588
322251	330300	334706	338832
322576	330301	334707	339217
322577	330321	334712	339351
322773	330325	334731	339355
323204	330704	334756	339635
323262	330715	334766	339640
323293	330724	334767	339818
323846	330739	334799	339848
323847	330771	334835	339882
323858	330775	334857	339942
324172	330906	335452	339943
324241	331409	335545	340213
324268	331450	335775	340442
324535	331458	335904	340481
324544	331704	335964	340521
324556	331737	335978	340707
325616	331760	336071	340711
326055	331780	336261	340754
326260	331796	336614	340762
326784	331810	336635	341013
326893	331826	336968	341054
327443	331856	337134	341103
327813	332097	337135	341197
327817	332486	337189	341293
327866	332567	337199	341412
327967	333074	337371	341430
328248	333447	337382	341637
328138	333448	337627	341653

EXHIBIT A

List of Files with No Cancellation Fee Collected

341698	346380
342000	346486
342046	346487
342102	346488
342307	346979
342388	347665
342751	347770
342817	348018
342842	348086
342844	349128
343209	349478
343280	349900
343335	349954
343348	350311
343389	350821
343743	350824
343851	
344015	
344050	
344096	
344151	
344450	
344456	
344475	
344579	
344842	
344848	
345081	
345400	
345555	
345560	
345764	
346110	
346147	
346202	
346219	
346264	
346332	
346360	